

SENATE BILL 138

By Yager

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 35, Part 1 and Title 9, Chapter 3, Part 4, relative to state and local government audit committees.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 4-35-107, is amended by deleting subsection (a) in its entirety and by substituting instead the following language:

(a) An audit committee created pursuant to this chapter shall establish a process by which employees, taxpayers, or other citizens may confidentially report suspected illegal, improper, wasteful, or fraudulent activity. If the information provided causes the chair of the audit committee to believe that illegal, improper, wasteful, or fraudulent activity may have occurred, then the chair of the audit committee shall report the information to the office of the comptroller of the treasury. The comptroller of the treasury shall have the power to prescribe the method of making the report by the chair of the audit committee. The detailed information received and generated pursuant to a report of suspected illegal, improper, wasteful, or fraudulent activity, shall be considered audit working papers and is therefore not an open record pursuant to title 10, chapter 7.

SECTION 2. Tennessee Code Annotated, Section 9-3-406, is amended by deleting subsection (a) in its entirety and by substituting instead the following language:

(a) An audit committee created pursuant to this chapter shall establish a process by which employees, taxpayers, or other citizens may confidentially report suspected illegal, improper, wasteful, or fraudulent activity. If the information provided causes the chair of the audit committee to believe that illegal, improper, wasteful, or fraudulent activity may have occurred, then the chair of the audit committee shall report the

information to the office of the comptroller of the treasury pursuant to Title 8, Chapter 4, Part 5. The detailed information received and generated pursuant to a report of suspected illegal, improper, wasteful, or fraudulent activity, shall be considered audit working papers and is therefore not an open record pursuant to title 10, chapter 7.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.